

furnished as a part of (or together with) the application for such policy.

"(II) Whoever issues or sells a health insurance policy (other than a policy described in subclause (III)) to an individual described in subclause (I) and fails to furnish the appropriate disclosure statement as required under such subclause shall be fined under title 18, United States Code, or imprisoned not more than 5 years, or both, and, in addition to or in lieu of such a criminal penalty, is subject to a civil money penalty of not to exceed \$25,000 (or \$15,000 in the case of a person other than the issuer of the policy) for each such violation.

"(III) A policy described in this subclause (to which subclauses (I) and (II) do not apply) is a Medicare supplemental policy or a health insurance policy identified under 60 Federal Register 30880 (June 12, 1995) as a policy not required to have a disclosure statement.

"(iv) Any reference in this section to the revised NAIC model regulation (referred to in subsection (m)(1)(A)) is deemed a reference to such regulation as revised by section 171(m)(2) of the Social Security Act Amendments of 1994 (Public Law 103-432) and as modified by substituting, for the disclosure required under section 16D(2), disclosure under subclause (I) of an appropriate disclosure statement under clause (vii).

"(vii) The disclosure statement described in this clause for a type of policy is the statement specified under subparagraph (D) of this paragraph (as in effect before the date of the enactment of the Health Insurance Portability and Accountability Act of 1996) for that type of policy, as revised as follows:

"(I) In each statement, amend the second line to read as follows:

**"THIS IS NOT MEDICARE SUPPLEMENT INSURANCE."**

"(II) In each statement, strike the third line and insert the following: **Some health care services paid for by Medicare may also trigger the payment of benefits under this policy.**

"(III) In each statement not described in subclause (V), strike the boldface matter that begins **This insurance** and

all that follows up to the next paragraph that begins  
care. Medicare

"(IV) In each statement not described in subclause (V).

insert before the boxed matter (that states

**Before** **You** **Buy**

**This Insurance** the following: **This policy**

**must** **not** **benefit**

**fits without regard to other health benefit**

**coverage** **to**

**which you may be entitled under Medicare**

**or** **other**

**insurance.**

"(V) In a statement relating to policies

providing both nursing

home and non-institutional coverage, to

policies providing

nursing home benefits only, or policies providing

home care

benefits only, amend the sentence that begins

Federal law

to read as follows: Federal law requires us to

inform you

that in certain situations this insurance may

not for some

care also covered by Medicare.

"(viii)(I) Subject to subclause (II), nothing in this

subparagraph

shall restrict or preclude a State's ability to

regulate health insur-